

Message Text

LIMITED OFFICIAL USE

PAGE 01 OECD P 26811 01 OF 02 142038Z

63

ACTION EUR-12

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 /102 W
----- 109763

P R 142005Z SEP 76

FM USMISSION OECD PARIS

TO SECSTATE WASH DC PRIORITY 3366

INFO ALL IEA CAPITALS 0043

LIMITED OFFICIAL USE SECTION 01 OF 02 OECD PARIS 26811

E.O.: 11652 N/A

TAGS: ENRG

SUBJECT: IEA: GOVERNING BOARD MEETING OF SEPTEMBER 10
ON CIEC ENERGY COMMISSION STRATEGY

1. SUMMARY: GOVERNING BOARD DEVOTED ALMOST ENTIRE MEETING OF SEPTEMBER 10 TO DISCUSSION AND COMMENT ON ORAL REPORT BY AD-HOC, INFORMAL GROUP CHAIRMAN BURROWS RE SUBSTANCE CIEC ENERGY COMMISSION POSITION PAPERS PGZJJZED BY GROUP. BURROWS STRESSED NEED TO QUICKLY DEVELOP AN IEA "PACKAGE" OF CONCEPTS WHICH G-8 MIGHT PUT FORWARD AS OUTCOME OF ENERGY COMMISSION WORK, I.E., THOSE ELEMENTS THAT IEA AGREES SHOULD BE IN FINAL COMMUNIQUE. ALL DELEGATIONS SUPPORTED THIS IDEA. US DEL (BOSWORTH) DESCRIBED POSSIBLE OUTCOME US ENVISAGES FOR WORK OF ENERGY COMMISSION. END SUMMARY.

2. BURROWS SAID HE FELT IEA "PACKAGE" SHOULD CONTAIN SOMETHING ON: 1) EDDC'S (IEI AND PERHAPS IRB WOULD BE INCLUDED); R&D COOPERATION; AND CONTINUATION OF ENERGY DIALOGUE. (IN LATTER REGARD, LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 26811 01 OF 02 142038Z

BURROWS MENTIONED RECENT NEGATIVE STATEMENTS BY

SAUDI ENERGY COMMISSION CO-CHAIRMAN TAHER RE
ACCEPTABILITY TO OPEC OF ANY INSTITUTIONALIZED
ENERGY DIALOGUE.) HE FELT DEVELOPMENT SUCH A
PACKAGE ESSENTIAL REGARDLESS OF WHETHER CIEC RESUMES
OR NOT SINCE DC'S MUST HAVE IN HAND SOMETHING TO
SHOW PUBLICLY WHAT THEY WOULD HAVE ACCEPTED IN THE
DIALOGUE.

3. USDEL (BOSWORTH) REVIEWED DIFFERENCES THAT LED
TO CIEC IMPASSE ON WORK PROGRAMS AND STATED THAT
ENERGY COMMISSION WORK PROGRAM NOW LIKELY TO EMERGE
REQUIRES SOME MODIFICATION OF G-8 STRATEGY ON HOW TO
ACHIEVE DESIRED RESULTS FROM COMMISSION. PRIOR
TO JULY, IEA COULD ANTICIPATE WORK PROGRAM DESIGNED
UNDER THE GENERAL HEADING OF COOPERATION COVERING
ALL ELEMENTS INCLUDING PRICE, SPECIAL COOPERATIVE
MEASURES DESIGNED TO ALLEVIATE ENERGY PROBLEMS OF
EDDC'S, AND SOME FORM OF ON-GOING DIALOGUE. NOW
WE FORESEE QUITE DIFFERENT WORK PROGRAM EMERGING,
DETAILED ON MANY ENERGY ISSUES, BUT NOT PROVIDING
IN ITSELF A FRAMEWORK FOR AN ON-GOING DIALOGUE.

4. BOSWORTH NOTED THAT IN VIEW PERFORMANCE OF
G-19 TO DATE, HE FELT IT WAS GOING TO BE EXTREMELY
DIFFICULT TO OBTAIN AGREEMENT ON COMMUNIQUE LANGUAGE
ON GENERAL ENERGY ISSUES BEYOND COMPLETELY ANODYNE
STATEMENTS. IF DC'S WISH SECURE ACCEPTABLE
COMMUNIQUE LANGUAGE, CONSIDERABLE EFFORT WOULD
HAVE TO BE DEVOTED IN REMAINING MONTHS TO DRAFTING
PROCESS. AT THE END OF EACH REMAINING COMMISSION
MEETING THERE WILL HAVE TO BE EFFORTS TO PUT DOWN ON
PAPER LANGUAGE SUMMING UP CONCLUSIONS OF MEETING FOR USE
AS GRIST IN DRAFTING EVENTUAL COMMUNIQUE.

5. US ENVISAGES FOLLOWING ELEMENTS IN EVENTUAL ENERGY
COMMISSION RESULTS, BOSWORTH STATED. (1) GENERAL
CONCLUSIONS TO BE DRAWN FROM ANALYTICAL PHASE OF
DIALOGUE. AT BEST THESE CONCLUSIONS WOULD INCLUDE
LANGUAGE ON FUTURE ENERGY RISKS TO WORLD ECONOMY
(I.E., A NON-SMOOTH TRANSITION PERIOD) AND PRESENT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OECD P 26811 01 OF 02 142038Z

AND FUTURE RESPONSIBILITIES OF PRODUCERS AND CONSUMERS
TO TAKE ACTION TO AVOID THOSE RISKS.

(2) CONCLUSIONS ON THREE FOLLOWING ASPECTS OF EDDC
ENERGY PROBLEMS WHICH WILL BE ALSO DRAWN FROM ANALYTIC
PHASE:

(A) ON IMPACT OF PRESENT OIL PRICE AND FUTURE OIL
PRICE RISES ON EDDC BOP, DEBT, GROWTH, ETC. ON

THIS HE NOTED THAT G-8 IS NOT EXPOSED AND CAN
POINT TO JAMAICA AGREEMENT, ETC. HE WARNED THAT,
NONETHELESS, DC'S COULD ANTICIPATE THAT G-19 WILL NOT
ADMIT THAT THESE PAST EFFORTS WERE ADEQUATE AND THAT
WE WOULD RECEIVE DEMANDS FOR ADDITIONAL BALANCE OF

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 OECD P 26811 02 OF 02 142026Z

63

ACTION EUR-12

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 /102 W
----- 109439

P R 142005Z SEP 76

FM USMISSION OECD PARIS

TO SECSTATE WASH DC PRIORITY 3367

INFO ALL IEA CAPITALS 0044

LIMITED OFFICIAL USE SECTION 02 OF 02 OECD PARIS 26811

PAYMENTS ASSISTANCE.

(B) NEED OF LDC OIL PRODUCERS AND NON-PRODUCERS ALIKE
FOR ENERGY TECHNOLOGY. HERE G-8 HAS SPECIFIC
PROPOSALS SUCH AS IEI, AND GENERAL R&D COOPERATION
ON WHICH WE WOULD WISH TO OBTAIN POLITICAL COMMITMENT
IN COMMUNIQUE. (FOR IEI WE WOULD ALSO HOPE TO OBTAIN
SOME COMMISSION ELABORATION INFLUENCING INSTITUTIONAL
FRAMEWORK AND CONTENT OF IEI AS IT IS SUBSEQUENTLY
ESTABLISHED IN UN OR OTHER FRAMEWORK.)

(C) NEED TO INCREASED RESOURCE TRANSFER TO EDDC'S
TO DEVELOP THEIR INDIGENOUS ENERGY RESOURCES. NON
OIL LDC'S ARE ALREADY DEMANDING INCREMENTAL RESOURCE

TRANSFERS FOR SUCH PURPOSE, BOSWORTH STATED. THE US WILL STRESS THAT PRIVATE SECTOR WOULD HAVE TO ASSUME MAJOR PART OF THE REQUIREMENT FOR A SUBSTANTIAL INCREASED FLOW OF FUNDS FOR ENERGY DEVELOPMENT. US WOULD SEE ITS IRB PROPOSAL AS DESIGNED TO BE RESPONSIVE TO NEED TO FACILITATE PRIVATE INVESTMENT IN ENERGY DEVELOPMENT. BUT G-19 LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 26811 02 OF 02 142026Z

HAS ALREADY SIGNALLED IN CIEC THAT THEY WILL PRESS AS WELL FOR INCREASED MULTILATERAL AND BILATERAL ODA FOR ENERGY RESOURCE DEVELOPMENT.

6. WITH REGARD TO ON-GOING ENERGY DIALOGUE, WE SHOULD NOT MAKE CONCRETE DEFINITION OF ITS INSTITUTIONAL MAKEUP A PRINCIPAL DC OBJECTIVE IN CIEC. THE G-19 WILL TRY TO LINK IT TO THE OUTCOME ON OTHER ISSUES IN THE ENERGY AREA (INDEXATION) AND IN OTHER CIEC COMMISSIONS. BOSWORTH ALSO POINTED TO THE REAL SAUDI CONCERN OVER TREATMENT OF THEIR FINANCIAL ASSETS AS ONE MAJOR ISSUE OF THE DIALOGUE AND ONE WHICH, GIVEN ITS POSSIBLE INFLUENCE ON FUTURE SAUDI PRODUCTION POLICIES, AND THUS ON THE FUTURE OIL PRICE, DC'S SHOULD BE AS POSITIVE AS POSSIBLE, PARTICULARLY ON SUCH ISSUES AS ACCESS TO INVESTMENT OPPORTUNITIES, ETC. IN THIS CONTEXT HE ALSO EMPHASIZED THE NEED FOR RAPID AND EFFECTIVE IEA EFFORTS TO REDUCE DEPENDENCE AS VITAL TO THE IMMEDIATE AND LONG-TERM DYNAMICS OF ANY DIALOGUE WITH PRODUCERS, PARTICULARLY SINCE ANY DEVELOPMENT OF DEMAND FOR OPEC OIL ALONG LINES OF LTEA PROJECTIONS WOULD GREATLY RESTRICT SAUDI ABILITY TO CONTINUE THEIR MODERATING IMPACT ON OPEC PRICE DECISIONS.

7. ALL DELEGATIONS SUPPORTED MOVING AHEAD QUICKLY TO FORMULATE AN IEA "PACKAGE," AS SUGGESTED BY BURROWS. (US DELEGATION LATER INFORMED BY BURROWS THAT HE WILL BEGIN DRAFTING PAPER OUTLINING SUCH A PACKAGE IMMEDIATELY AND HOPES TO GIVE IT TO IEA SECRETARIAT FOR DISTRIBUTION TO CAPITALS BY SEPT. 16. HE WOULD WELCOME COMMENTS PRIOR TO SEPT. 21 GB MEETING.) MOST DELS ECHOED NEED FOR REDUCED DEPENDENCE CITING RECENT OECD LONG TERM ENERGY ASSESSMENT (LTEA). SEVERAL DREW ON LTEA TO SUPPORT NEED FOR ONGOING DIALOGUE. DANES, HOWEVER, POINTED OUT THAT ON-GOING DIALOGUE MAY NOT BE IN INDUSTRIAL COUNTRY INTEREST IN LIGHT OF LTEA WHICH BASED ON PRESENT IEA ENERGY POLICIES; THAT ON -GOING DIALOGUE MORE LIKELY TO ACHIEVE IEA

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OECD P 26811 02 OF 02 142026Z

OBJECTIVES IF EFFECTIVE NEW POLICIES TO REDUCE
DEPENDENCE EFFORTS VISIBLY UNDERWAY IN IEA COUNTRIES.
TURNER.

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ENERGY, MEETING REPORTS, COMMITTEE MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 14 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: BoyleJA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976OECDP26811
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760346-1180
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760963/aaaacbia.tel
Line Count: 232
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: BoyleJA
Review Comment: n/a
Review Content Flags:
Review Date: 22 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 APR 2004 by CollinP0>; APPROVED <11 AUG 2004 by BoyleJA>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: IEA: GOVERNING BOARD MEETING OF SEPTEMBER 10 ON CIEC ENERGY COMMISSION STRATEGY
TAGS: ENRG, CIEC, G-8
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006